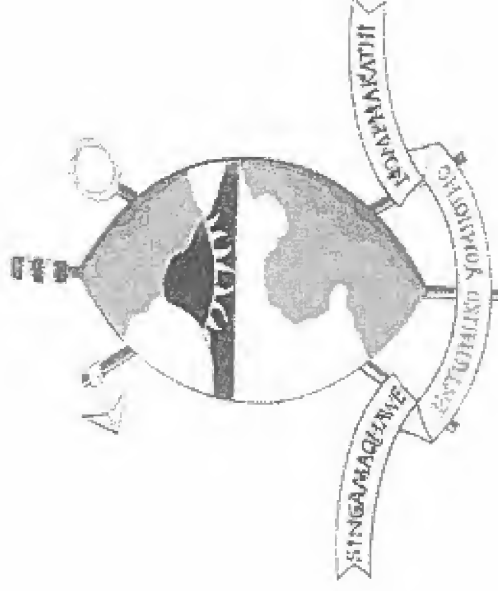


**NQUTHU MUNICIPALITY**

**UMASIPALA WASENQUTHU**



**NQUTHU LOCAL MUNICIPALITY**

**SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN ("SDBIP")**

**2011/2012**

## Table of Contents

1. Introduction
2. Legislative Framework in terms of MFMA
3. The SDBIP Concept
4. Monthly projections of revenue to be collected for each source
5. Office of the Municipal Manager
6. Department of Community Services
7. Budget and Treasury Office
8. Department of technical Services
9. Department of Planning and LED

1. **Introduction**

This document provides for the annual submission of the Service Delivery and Budget Implementation Plan (SDBIP) as required in terms of the Municipal Finance Management Act. It should be read in conjunction with the Municipality's Integrated Development Plan (IDP), Budget and Strategic Business Unit Business Plans for the financial year 2011/ 2012. The SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality therefore the IDP and budget must be fully aligned with each other, as required by the MFMA. The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP serves as a "contract" between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of-year targets and implementing the budget.

 13/05/2011

Cir. NM Zungu (Mayor of Nquthu Local Municipality)

## 2. **Legislative Framework in terms of the MFMA**

The Municipal Finance Management Act (MFMA) of 2003 is aimed to secure sound and sustainable management of the financial affairs of municipalities and to establish treasury norms and standards through continually promoting transparency, participation and accountability of municipalities. The MFMA requires that municipalities prepare a Service Delivery and Budget Implementation Plan as a strategic financial management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy. According to section 1 of the Act a service delivery and budget implementation plan means a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate;

- (a) Projections for each month of the year
  - (i) Revenue to be collected, by source; and
  - (ii) Operational and capital expenditure, by vote;
- (b) Service delivery targets and performance indicators for each quarter;
- (c) Any other matters that may be prescribed, and includes any revisions of such plan by the mayor in terms of section 54(1)(c). In terms of Section 53 (3) of the Municipal Finance Management Act (MFMA) No. 56 of 2003 the mayor must ensure-
  - (a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan are made public no later than 14 days after the approval of the service delivery and budget implementation plan;
  - (b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public no later than 14 days after the approval of the municipality's service delivery and budget implementation plan. Copies of such performance agreements must be submitted to the council and the MEC for local government in the province

### **3. The SDBIP Concept**

The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. The SDBIP will facilitate accountability between managers, Council, Councillors and the community. It also fosters the management, implementation and monitoring of the budget, the performance of senior management and the achievement of the strategic objectives as laid out in the IDP. Whilst the budget sets yearly service delivery and budget targets (revenue and expenditure per vote), it is imperative that in-year mechanisms are able to measure performance and progress on a continuous basis. Hence, the end-of-year targets must be based on quarterly and monthly targets, and the municipal manager must ensure that the budget is built around quarterly and monthly information. Being a start-of-year planning and target tool, the SDBIP gives meaning to both in-year reporting in terms of section 71 (monthly reporting), section 72 (mid-year report) and end-of-year annual reports

**4. Monthly projections of revenue to be collected for each source**

12/2024 Hqduh - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2011/12												Financial Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year 11 2013/14	Budget Year 12 2013/14
Revenue By Source																
Property related		395	367	364	368	387	309	384	385	368	365	366	367	4,396	6,131	6,741
Property sales - penalties & collection charge		11	9	13	11	10	11	13	10	11	10	11	13	132	-	-
Service charges - electricity revenue		965	950	948	948	946	951	960	941	943	944	951	1,069	11,526	13,255	14,978
Service charges - water revenue														-	-	-
Service charges - sanitation revenue														-	-	-
Service charges - refuse revenue		243	243	241	242	242	243	243	242	242	242	242	244	2,908	3,345	3,779
Service charges - other														-	-	-
Rental of facilities and equipment		6	6	6	6	6	6	6	6	6	6	6	6	74	108	134
Interest earned - external investments														-	-	-
Interest earned - outstanding debtors														-	-	-
Dividends received														-	-	-
Fines		16	17	17	16	16	16	17	17	17	17	19	15	200	280	320
Licences and permits		-	-	-	3	4	6	9	10	12	17	19	21	100	110	134
Agency services														-	-	-
Transfers recognised - operational		20,482	-	-	-	20,719	-	-	-	16,324	242	-	-	65,767	71,765	76,703
Other revenue		63	63	63	62	63	62	64	64	63	62	64	62	754	814	835
Gains on disposal of PPE						70								70	-	-
Total Revenue (excluding capital transfers)		30,151	1,654	1,652	1,656	22,444	1,676	1,678	1,634	17,995	1,913	1,678	1,797	65,916	95,838	103,675
Expenditure By Type																
Employers related costs		2,102	2,109	2,106	2,103	2,145	2,230	2,110	2,204	2,103	2,109	2,110	2,458	25,948	30,010	36,791
Remuneration of councillors		541	541	541	541	541	662	662	662	662	662	662	662	7,338	8,210	9,204
Debt impairment		45	44	45	45	45	45	44	45	45	45	45	45	535	575	610
Depreciation & asset impairment		58	58	58	58	58	58	58	58	58	58	58	59	700	720	735
Finance charges		18	19	18	18	18	18	19	18	18	18	18	19	219	232	275
Bus purchases		1,324	999	868	763	923	1,033	929	875	911	890	847	1,058	11,432	13,147	14,856
Other materials		100	99	99	101	100	100	100	98	98	100	100	101	1,194	1,229	1,470
Contracted services		1,058	215	692	379	741	741	379	276	691	378	216	750	5,991	6,416	7,197
Transfers and grants		2,090	2,051	2,275	2,175	2,181	2,121	2,110	2,110	2,110	2,450	2,102	4,287	28,681	25,558	26,963
Other expenditure		2,466	2,678	2,450	2,532	2,521	2,412	2,422	2,564	2,562	2,420	2,105	2,447	29,589	32,093	35,107
Loss on disposal of PPE														-	-	-
Total Expenditure		9,810	9,413	9,151	8,736	8,747	9,400	8,834	8,910	9,258	9,139	8,262	11,995	111,626	118,208	133,208
Surplus/(Deficit)		20,341	(7,759)	(7,499)	(7,089)	(7,094)	(7,724)	(7,158)	(7,259)	8,737	(7,193)	(6,584)	(10,197)	(25,699)	(22,370)	(29,533)
Transfers recognised - capital														-	-	-
Contributions recognised - capital														-	-	-
Contributed assets		1,479	1,785	1,532	1,659	1,788	1,786	1,568	1,659	4,073	2,075	1,931	3,624	25,699	25,558	26,963
Surplus/(Deficit) after capital transfers & contributions		21,820	(5,973)	(5,967)	(5,421)	(5,406)	(6,612)	(5,590)	(5,597)	13,801	(5,193)	(4,654)	(6,474)	(9)	2,188	(2,610)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	21,820	(5,973)	(5,967)	(5,421)	(5,406)	(6,612)	(5,590)	(5,597)	13,801	(5,193)	(4,654)	(6,474)	(9)	3,188	(2,610)

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

**5. Office of the Municipal Manager**



[illegible]

[illegible]



Entry	October			November			December			January			February			March			April			May			June		
	Cost	Opport	Flow	Cost	Opport	Flow	Cost	Opport	Flow	Cost	Opport	Flow	Cost	Opport	Flow	Cost	Opport	Flow	Cost	Opport	Flow	Cost	Opport	Flow			
1	500									500																	
2	500									500																	
3	500									500																	
4	500									500																	
5	500									500																	
6	500									500																	
7	500									500																	
8	500									500																	
9	500									500																	
10	500									500																	
11	500									500																	
12	500									500																	
13	500									500																	
14	500									500																	
15	500									500																	
16	500									500																	
17	500									500																	
18	500									500																	
19	500									500																	
20	500									500																	
21	500									500																	
22	500									500																	
23	500									500																	
24	500									500																	
25	500									500																	
26	500									500																	
27	500									500																	
28	500									500																	





6. Department of Community Services





Unit	Local KPA	Objective	Key Performance Indicator	Source Data	BABESIN E	1 <sup>st</sup> Quarter (Apr)	2 <sup>nd</sup> Quarter (May)	3 <sup>rd</sup> Quarter (Jun)	4 <sup>th</sup> Quarter (Jul)	Actual Expenditure	Actual Value	Capex	Rev	Opex	Open
			% of expenditure on expenditure budgeted for implementing the work skills plan		100% expenditure	25% expenditure	25% expenditure	25% expenditure	25% expenditure	100000	100000	0	0	0	0
			Number of MIAS Reports		1 Monitoring reports	1 Monitoring report	1 Monitoring report	1 Monitoring report	1 Monitoring report	0	0	0	0	0	0
			Number of Risk Management Report		12 Monitoring reports	3 Monitoring reports	3 Monitoring reports	3 Monitoring reports	3 Monitoring reports	0	0	0	0	0	0
			Number of LED Items at Imibizos		4 Items at Imibizos	0	0	0	0	0	0	0	0	0	0
Local Economic Development			Number of Forums established		3 Forums established	0	0	0	0	0	0	0	0	0	0
			Number of RUMDS forum		1 RUMDS forum	1 RUMDS forum	1 RUMDS forum	1 RUMDS forum	1 RUMDS forum	100000	100000	0	0	0	0
			1 world wide day celebration		1 world wide day celebration	0	0	0	0	0	0	0	0	0	0
			women's day celebration		1 women's day celebration	1 women's day celebration	1 women's day celebration	1 women's day celebration	1 women's day celebration	100000	100000	0	0	0	0
			Number of gender meetings		1 gender meeting	1 gender meeting	1 gender meeting	1 gender meeting	1 gender meeting	0	0	0	0	0	0
			Heritage Day celebration		1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	1 Heritage Day celebration	75000	75000	0	0	0	0
			Annual Indaba for the aged		1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	1 Annual Indaba for the aged	0	0	0	0	0	0
			Monthly monitoring reports on ward committees		12 Monitoring reports	3 Monitoring reports	3 Monitoring reports	3 Monitoring reports	3 Monitoring reports	0	0	0	0	0	0
			developed suggestion register and Box		4 Progress reports	1 progress report	1 progress report	1 progress report	1 progress report	0	0	0	0	0	0
			gazetted by laws		4 Progress reports	1 progress report	1 progress report	1 progress report	1 progress report	0	0	0	0	0	0
			Progress with the development of the disaster management plan		4 Progress reports	1 progress report	1 progress report	1 progress report	1 progress report	0	0	0	0	0	0
			Progress reports and local audit		4 Progress reports	1 progress report	1 progress report	1 progress report	1 progress report	0	0	0	0	0	0
			Number of meetings		12 Monitoring reports	3 Monitoring reports	3 Monitoring reports	3 Monitoring reports	3 Monitoring reports	0	0	0	0	0	0
			Number of Council meetings		4 meetings	1 meeting	1 meeting	1 meeting	1 meeting	0	0	0	0	0	0
			Number of socio meetings		4 Meetings	1 Meeting	1 Meeting	1 Meeting	1 Meeting	0	0	0	0	0	0
			Number of legal meetings		12 Meetings	3 Meetings	3 Meetings	3 Meetings	3 Meetings	0	0	0	0	0	0
			Progress report in the implementation of the fleet management policy		12 progress reports	3 progress reports	3 progress reports	3 progress reports	3 progress reports	0	0	0	0	0	0



[illegible]

[illegible]



## 7. Budget and Treasury Office